



CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D. C.

OFFICE OF THE DEPUTY DIRECTOR (INTELLIGENCE)

18 March 1963

MEMORANDUM FOR: General Maxwell D. Taylor
Chairman, Joint Chiefs of Staff
Department of Defense

SUBJECT : Soviet Policies: The Next Phase

1. Incipient trends are now becoming apparent in Soviet policies as adjusted in the light of the Kremlin's post-Cuba reassessment.

2. This memorandum points out that advocates of increased Soviet military expenditures have prevailed in policy debates, and that any significant rise in living standards has again been postponed. Khrushchev, beset by troubles at home and within the Bloc, seems to have decided that the world balance of power is not now favorable and that time is needed to strengthen Soviet economic and military power. Since Khrushchev has sought to justify his actions on the basis of the threatening international situation, the USSR does not seem to be looking toward a substantial improvement in East-West relations.

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Attachment

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